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P.O. Box 6042, Station "A"  
Montreal, Quebec H3C 3E4  
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Canadian Pacific Limited

RECORDATION NO. 13980-C  
FILE 1398

MAY 9 1988-11 20 AM

INTERSTATE COMMERCE COMMISSION

George F Michals  
Vice-President  
Tel (514) 395-6681

MONTREAL, May 9, 1988

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

No. 8-130A017  
MAY 9 1988  
Date .....  
Fee \$ 13.00  
ICC Washington, D. C.

Dear Ms. McGee:

Enclosed are the original and one counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 U.S. Code.

This document is a Third Supplemental Agreement, a secondary document, dated as of May 1, 1988.

The primary document to which the enclosed document is related is recorded under Recordation No. 13980.

The names and addresses of the parties to the documents are as follows:

Trustee, Conditional Vendor:

Bank of Montreal Trust Company  
Two Wall Street  
New York, N.Y. 10005

Conditional Vendee, Guarantor:

Canadian Pacific Limited  
Suite 800  
Place du Canada  
P.O. Box 6042, Station A  
Montreal, Quebec  
Canada H3C 3E4

Attention: Vice-President Finance  
and Accounting

A description of the equipment covered by the document is set forth on the attached Schedule A.

*Handwritten signature: C. [unclear] W. [unclear]*

A cheque in the amount of \$10.00 is enclosed to cover the filing fee.

Please return one counterpart of the agreement bearing the Commission's recordation data to the person delivering this letter.

A short summary of the document to appear in the index as follows:

Third Supplemental Agreement dated as of May 1, 1988 to Equipment Trust Agreement dated as of November 1, 1982 between Canadian Pacific Limited, Suite 800, Place du Canada, P.O. Box 6042, Station A, Montreal, Quebec H3C 3E4, and Bank of Montreal Trust Company, Two Wall Street, New York, N.Y., 10005, Trustee, covering 95 diesel locomotives, CP3041-3135 both inclusive; 110 - 89 1/4", fully enclosed bi-level auto rack cars, CP542600-542709, both inclusive; 30 - 89 1/4" fully enclosed tri-level auto rack cars, CP556400-556429, both inclusive; and 286 bathtub steel rotary gondola cars, 100 tons, CP350000-350285, both inclusive.

Yours very truly,



Vice-President  
Finance and Accounting

Schedule A

DESCRIPTION OF TRUST EQUIPMENT

<u>Number of Units</u>	<u>Description</u>	<u>Average Cost of Acquisition Per Unit (Cdn.\$)</u>	<u>Road Nos.</u>
45	Diesel Electric Locomotive Units, 2,000 horsepower Model GP38-2	\$1,364,049	CP3041-3085 both inclusive
50	Diesel Electric Locomotive Units, 2,000 horsepower Model GP38-2	\$1,377,377	CP3086-3135 both inclusive
110	89'4" fully-enclosed bi-level auto rack cars	\$ 104,132	CP542600-542709 both inclusive
30	89'4" full-enclosed tri-level auto rack cars	\$ 125,933	CP556400-5566429 both inclusive
286	Bathtub steel rotary gondola cars, 100 tons	\$ 55,416	CP350000-350285 both inclusive

**Interstate Commerce Commission**  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

5/9/88

George F. Michals  
Vice President  
Canadian Pacific Limited  
Suite 800 Place du Canada  
1010 deLa GauchetiereStreet West  
P.O.Box 6042 Station A  
Montreal Quebec H3C 3E4

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/9/88 at 11:30am, and assigned recordation number(s). 13980-C

Sincerely yours,

*Narta L. McEneaney*

Secretary

Enclosure(s)

13980-C  
RECORDATION NO. \_\_\_\_\_ FILED 1988

MAY 9 1988-11 20 AM

INTERSTATE COMMERCE COMMISSION

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CANADIAN PACIFIC LIMITED  
EQUIPMENT TRUST

---

THIRD SUPPLEMENTAL AGREEMENT

Dated as of May 1, 1988

to

EQUIPMENT TRUST AGREEMENT

Dated as of November 1, 1982

Between

BANK OF MONTREAL TRUST COMPANY,

Trustee

and

CANADIAN PACIFIC LIMITED

---

Establishing Canadian Pacific Limited  
9.45% Equipment Trust Certificates,  
Series 2, Due May 1, 1998

---

Filed and recorded with the Interstate Commerce Commission pursuant to Section 11303 of the  
Interstate Commerce Act on \_\_\_\_\_, 1988 at \_\_\_\_\_, recordation number 13980-C. Deposited with  
the Registrar General of Canada on \_\_\_\_\_, 1988 at \_\_\_\_\_.

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\* This table of contents does not constitute a part of the Third Supplemental Agreement.

THIRD SUPPLEMENTAL AGREEMENT dated as of May 1, 1988 between BANK OF MONTREAL TRUST COMPANY, a corporation duly organized and existing under the laws of the State of New York, as Trustee (hereinafter called the Trustee), and CANADIAN PACIFIC LIMITED, a corporation duly organized and existing under the laws of Canada (hereinafter called the Company).

WHEREAS, the Company and the Trustee have heretofore executed and delivered an Equipment Trust Agreement dated as of November 1, 1982 (hereinafter called the Original Agreement, the Original Agreement as amended and supplemented by the First Supplemental Agreement dated as of March 1, 1983 (hereinafter called the First Supplemental Agreement), the Second Supplemental Agreement dated as of May 6, 1987 (hereinafter called the Second Supplemental Agreement) and this Third Supplemental Agreement being hereinafter called the Agreement) providing, among other things, for the issuance of equipment trust certificates in series from time to time thereunder;

WHEREAS, Canadian Pacific Limited 9.45% Equipment Trust Certificates, Series 2, Due May 1, 1998 (hereinafter called the Series 2 Trust Certificates) are to be issued and sold in an aggregate principal amount not exceeding \$100,000,000 U.S., and the net proceeds (excluding accrued interest, if any) of such sale, together with such other cash as may be required to be deposited by the Company as in the Original Agreement provided, are to constitute a separate trust fund equal to the aggregate principal amount of the Series 2 Trust Certificates so issued and sold, to be known as CANADIAN PACIFIC LIMITED EQUIPMENT TRUST, SERIES 2 (hereinafter called the Trust);

WHEREAS, such trust fund is to be applied by the Trustee from time to time in part payment of the Cost of the Equipment to be held in the Trust for the exclusive benefit of the holders of the Series 2 Trust Certificates, the remainder of such Cost to be paid to the manufacturer or owner thereof directly by the Company, all as in the Original Agreement provided; and

WHEREAS, it is desired to evidence the terms and provisions of the Series 2 Trust Certificates and to describe the Equipment proposed to be sold, assigned and transferred to the Trust;

Now, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto hereby agree as follows:

## ARTICLE ONE

### SERIES 2 TRUST CERTIFICATES

SECTION 1.01. *Establishment of Series.* There is hereby established a series of equipment trust certificates to be issued under, and entitled to the security and the benefits provided by, the Agreement to be known as "Canadian Pacific Limited 9.45% Equipment Trust Certificates, Series 2, Due May 1, 1998."

(a) The Series 2 Trust Certificates shall:

(i) be issued only as Serial Trust Certificates (having a single maturity date);

(ii) be limited in aggregate principal amount to \$100,000,000 U.S. (except as provided in Sections 2.05, 2.06, 2.07 and 3.02 of the Original Agreement);

(iii) be dated, if issued prior to November 1, 1988, May 1, 1988, subject to Section 2.06(a) of the Original Agreement;

(iv) mature on May 1, 1998;

(v) bear interest from the date thereof until the principal amount thereof shall have become due at the rate of 9.45% per annum, payable semi-annually on May 1 and November 1 of each year, beginning November 1, 1988, with interest on any overdue principal and interest, to the extent legally enforceable, at the rate of 10.45% per annum, such interest to be payable in accordance with the third paragraph of Section 2.02 of the Original Agreement;

(vi) be payable as to principal and interest at the Corporate Trust Office, except that at the option of the Trustee payment of interest may be made by check mailed to the addresses of the persons entitled thereto as such addresses shall appear upon the registry books of the Trustee; and

(vii) be redeemable prior to maturity at the option of the Company as provided in Section 1.02 hereof.



(b)(i) The Equipment to be sold, assigned and transferred to the Trust for the exclusive benefit of the holders of the Series 2 Trust Certificates shall have been first put into use after November 1, 1984.

(ii) The Depreciated Cost of the Equipment to be sold, assigned and transferred to the Trust for the exclusive benefit of the holders of the Series 2 Trust Certificates shall mean (A) with respect to each unit of Equipment first put into use prior to June 1, 1985, the Cost thereof less, for each full year elapsed between the date such unit was first put into use and the date on which such unit is delivered to the Trustee pursuant to Section 4.01 or the last paragraph of Section 4.03 of the Original Agreement, 1/20th of such Cost and (B) with respect to each unit of Equipment first put into use on or after June 1, 1985, the Cost of such unit. For the purpose of determining the Cost of any unit of such Equipment in U.S. dollars in accordance with the last sentence of the definition of "Cost" in Section 1.01 of the Original Agreement, Canadian dollars shall be converted into U.S. dollars at the noon buying rate in New York City, payable in Canadian dollars, as reported by the Federal Reserve Bank of New York, for the Business Day immediately preceding the date on which such unit shall be sold, assigned and transferred to such Trust.

(c) (i) The Deposited Cash Percentage for the Series 2 Trust Certificates shall be 80%.

(ii) The Depreciated Cost Percentage for the Series 2 Trust Certificates shall be 125%.

SECTION 1.02. *Optional Redemption.* The Series 2 Trust Certificates shall be redeemable on and after May 1, 1995, in whole at any time or in part from time to time, at the option of the Company, at the redemption price of 100% of the principal amount to be redeemed, together with accrued and unpaid interest to the date fixed for redemption.

SECTION 1.03. *Applicability of Article Three of Original Agreement.* The provisions of Sections 3.01 through 3.03, inclusive, of the Original

Agreement, so far as may be applicable and except as otherwise expressly provided herein, shall apply to and govern the redemption of the Series 2 Trust Certificates.

SECTION 1.04. *Forms of Certificate and Guaranty.* The Series 2 Trust Certificates and the guaranty to be endorsed thereon by the Company shall be substantially in the following forms, respectively:

[FORM OF SERIES 2 TRUST CERTIFICATE]

No.

\$ U.S.

CANADIAN PACIFIC LIMITED

9.45% EQUIPMENT TRUST CERTIFICATE, SERIES 2  
Due May 1, 1998

Total Authorized Issue \$100,000,000 U.S.

BANK OF MONTREAL TRUST COMPANY, Trustee

BANK OF MONTREAL TRUST COMPANY, a New York corporation, as Trustee (hereinafter called the Trustee) under the Equipment Trust Agreement dated as of November 1, 1982, as such Agreement shall have been amended or supplemented to the date hereof (hereinafter called the Agreement), between the Trustee and CANADIAN PACIFIC LIMITED, a Canadian corporation (hereinafter called the Company), hereby certifies that \_\_\_\_\_, or registered assigns, is entitled to an interest of \_\_\_\_\_ U.S. Dollars in Canadian Pacific Limited Equipment Trust, Series 2, payable May 1, 1998 upon surrender of this Certificate to the Trustee at the principal corporate trust office of the Trustee in the City of New York, New York, and to interest thereon from the date hereof until the principal amount represented by this Certificate shall have become due, payable on May 1 and November 1 in each year, beginning November 1, 1988, at the rate of 9.45% per annum, with interest on any overdue principal and interest, to the extent legally enforceable, at the rate of 10.45% per annum; provided that, so long as there is no existing default in the payment of interest and except for the payment of defaulted interest,

the interest payable on any May 1 or November 1 will be paid to the person in whose name this Certificate is registered upon the registry books of the Trustee at the close of business on the record date (the last business day which is more than 15 calendar days prior to such May 1 or November 1). Principal and interest shall be payable to the registered holder hereof at said office of the Trustee in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, but only from and out of moneys received by the Trustee and applicable to such payment under the provisions of the Agreement. At the option of the Trustee, payment of interest may be made by check mailed to the address of the person entitled thereto as such address shall appear upon the registry books of the Trustee.

This Certificate is one of an authorized issue of Trust Certificates, Series 2 (hereinafter called the Trust Certificates) in aggregate principal amount not exceeding \$100,000,000 U.S. which will mature on May 1, 1998 (unless theretofore called for redemption), all issued or to be issued under the Agreement, under which title to and a security interest in certain railroad equipment conditionally sold to the Company (or cash or obligations defined in the Agreement as "Investment Securities" in lieu thereof, as provided in the Agreement) are held by the Trustee in trust for the equal and ratable benefit of the registered holders of the Trust Certificates. Reference is made to the Agreement (a copy of which is on file with the Trustee at its said office) for a more complete statement of the terms and provisions thereof, to all of which the registered holder hereof, by accepting this Certificate, assents.

As more fully provided in the Agreement, the Trust Certificates are redeemable on and after May 1, 1995, in whole at any time or in part from time to time, at the option of the Company, on not less than 30 nor more than 60 days' prior notice given as provided in the Agreement, at the redemption price of 100% of the principal amount to be redeemed, together with accrued and unpaid interest to the date fixed for redemption.

The Trust Certificates are issuable only as fully registered Trust Certificates in denominations of \$1,000 U.S. and any multiple thereof.

The several denominations of the Trust Certificates are interchangeable upon presentation thereof for such purpose at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement.

This Certificate is transferable by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender of this Certificate to the Trustee at its said office, accompanied by a written instrument of transfer duly executed by such registered holder in person or by such attorney in form satisfactory to the Trustee, and thereupon a new Trust Certificate or Certificates in authorized denominations for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Trustee and the Company may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and interest and for all other purposes and shall not be affected by any notice to the contrary.

In case of the happening of an Event of Default (as defined in the Agreement), the principal amount represented by this Certificate may become or be declared due and payable in the manner and with the effect provided in the Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by the manual or facsimile signature of one of its Vice Presidents and its corporate seal or a facsimile thereof to be hereunto affixed or imprinted and to be attested by the manual signature of one of its Authorized Officers.

Dated as of

BANK OF MONTREAL TRUST COMPANY,  
*Trustee*

By \_\_\_\_\_  
*Vice President*

[CORPORATE SEAL]

Attest:

\_\_\_\_\_  
*Authorized Officer*

[FORM OF GUARANTY FOR SERIES 2 TRUST CERTIFICATE]

Canadian Pacific Limited, for a valuable consideration, hereby unconditionally guarantees to the registered holder of the within Certificate the prompt payment of the principal of said Certificate and of the interest thereon specified in said Certificate, with interest on any overdue principal and interest, to the extent legally enforceable, at the rate of 10.45% per annum, all in accordance with the terms of said Certificate and the Equipment Trust Agreement referred to therein.

CANADIAN PACIFIC LIMITED

By \_\_\_\_\_  
Vice-President

ARTICLE TWO

DESCRIPTION OF EQUIPMENT  
TO BE HELD IN TRUST

The Company shall cause to be sold, assigned and transferred to the Trustee pursuant to Section 4.01 of the Original Agreement, to be held in the Trust for the exclusive benefit of the holders of the Series 2 Trust Certificates, such of the Equipment described in Schedule A hereto as shall be required to discharge the obligation of the Company set forth in the second sentence of such Section 4.01.

ARTICLE THREE

MISCELLANEOUS PROVISIONS

SECTION 3.01. *Incorporation of Terms, Conditions and Provisions of Original Agreement.* All of the terms, conditions and provisions of the Original Agreement (including the definitions in Section 1.01 thereof), unless inconsistent with the express provisions hereof, shall be deemed to be incorporated in and made a part of this Third

Supplemental Agreement, and the Original Agreement, as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and this Third Supplemental Agreement, shall be read, taken and construed as one and the same instrument.

SECTION 3.02. *Duties, Responsibilities and Liabilities of Trustee.* The Trustee hereby accepts the trusts imposed upon it by this Third Supplemental Agreement and covenants and agrees to perform the same as herein expressed. Except as herein otherwise provided, no obligations, duties, responsibilities or liabilities are assumed by the Trustee by reason of this Third Supplemental Agreement other than as set forth in the Original Agreement.

SECTION 3.03. *Rights Confined to Parties and Holders.* Nothing expressed or implied in this Third Supplemental Agreement is intended or shall be construed to confer upon or give to any person, firm or corporation, other than the parties hereto and the holders of the Series 2 Trust Certificates, any right, remedy or claim under or by reason of this Third Supplemental Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns and of the holders of the Series 2 Trust Certificates.

SECTION 3.04. *Effect of Headings.* The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

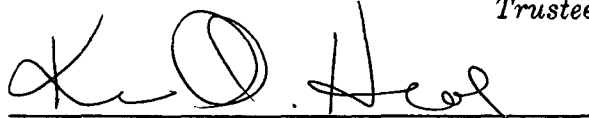
SECTION 3.05. *Counterparts.* This Third Supplemental Agreement has been simultaneously executed in several counterparts, each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

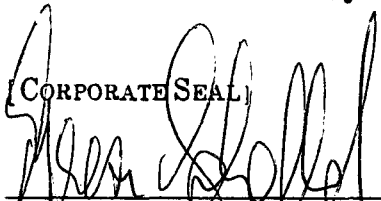
SECTION 3.06. *Date Executed.* This Third Supplemental Agreement shall be deemed to have been executed on the date of the acknowledgment hereof by the officer of the Trustee who signed it on behalf of the Trustee.

IN WITNESS WHEREOF, the Company and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed as of the day and year first above written.

BANK OF MONTREAL TRUST COMPANY,  
*Trustee*

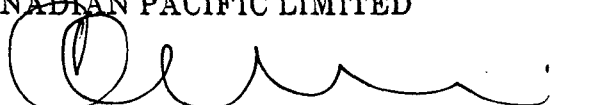
By:

  
*Vice President*

[CORPORATE SEAL]  
  
*Assistant Secretary*

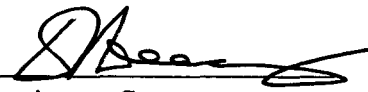

CANADIAN PACIFIC LIMITED

By:

  
*Vice-President Finance and Accounting*

[CORPORATE SEAL]

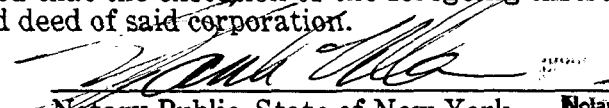
Attest:

  
 *Assistant Secretary*



STATE OF NEW YORK }  
COUNTY OF NEW YORK } SS.:

On this <sup>5TH</sup> day of May, 1988, before me personally appeared **KEVIN O. HEALEY**, to me personally known, who, being by me duly sworn, says that he is a Vice President of Bank of Montreal Trust Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

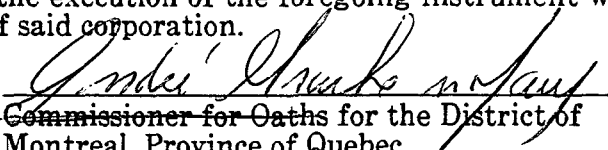
  
Notary Public, State of New York      **FRANK VELLA**  
No. \_\_\_\_\_      Notary Public, State of New York  
Qualified in \_\_\_\_\_ County      No. 52-4643269  
Commission Expires \_\_\_\_\_      Qualified in Suffolk County  
Commission Expires Sept. 30, 1989

[NOTARIAL SEAL]

PROVINCE OF QUEBEC }  
DISTRICT OF MONTREAL } SS.:

On this <sup>6TH</sup> day of May, 1988, before me personally appeared **G.R. MICHAELS**, to me personally known, who, being by me duly sworn, says that he is a Vice-President of Canadian Pacific Limited, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

NOTARY

  
Commissioner for Oaths for the District of  
Montreal, Province of Quebec  
My Commission expires IS FOR LIFE

[NOTARIAL SEAL]

**SCHEDULE A**  
**DESCRIPTION OF TRUST EQUIPMENT**

<u>Number of Units</u>	<u>Description</u>	<u>Approximate Cost of Acquisition Per Unit (Cdn. \$)</u>	<u>Road Nos.</u>
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